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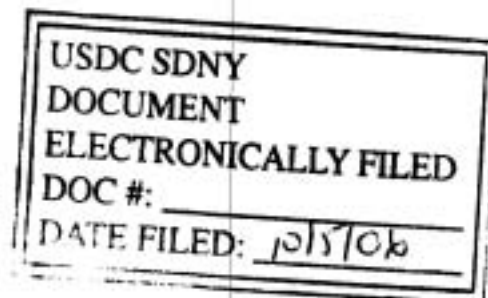
W&GR Wilson Sonsini Goodrich & Rosati
PROFESSIONAL CORPORATION

MEMO ENDORSED

September 25, 2006

BY ECF AND FEDERAL EXPRESS

The Honorable Kenneth M. Karas
United States District Judge
United States Courthouse
Southern District of New York
500 Pearl Street, Room 920
New York, NY 10007



Re: *United States v. Alberto Vilar and Gary Tanaka*, 05 Cr. 621 (KMK)

Dear Judge Karas:

As Your Honor is aware, we represent Gary Tanaka in the above-referenced matter. At a conference that took place on August 24, 2006, Your Honor granted Mr. Tanaka's request that his bail be modified to permit the release of the \$500,000 cash security that Mr. Tanaka had pledged in support of his personal recognizance bond, including any interest earned (collectively, the "Released Funds"), so that Mr. Tanaka could use the money to fund his legal defense. See August 24 Transcript, pp. 10-14. In furtherance of this oral ruling, on August 27, 2006, Your Honor issued a written order directing, among other things, that a check in the amount of the Released Funds be issued in the name of WILSON, SONSINI, GOODRICH & ROSATI TRUST ACCOUNT ("Attorney Trust Account"). This check was issued and the funds were received and deposited into the Attorney Trust Account.

Subsequent to the issuance of the Court's August 24 ruling and August 27 order, Mr. Tanaka instructed us to request that, instead of being directly applied to cover legal fees and expenses, the Released Funds be transferred from the Attorney Trust Account to Mr. Tanaka for what has been described to us as personal reasons. Mr. Tanaka asked that we inform the Court of the following on his behalf: 1) in the need to expedite the raising of the \$11 Million bail following the Memorial Day weekend, the Tanaka family utilized all sources of available cash at their disposal without regard to accounting considerations; and 2) prior to Wilson Sonsini Goodrich & Rosati ("W&GR") applying the Released Funds from the Attorney Trust Account to legal fees and expenses, Mr. and Mrs. Tanaka now find it necessary to make certain adjustments so that separate individual funds and joint funds are properly restored, as well as funds which were initially held in U.S and U.K. tax categories.

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Mr. Tanaka has represented that, within a week of this transfer, an amount equal to the Released Funds will be sent back to Wilson Sonsini Goodrich & Rosati to pay for legal fees associated with the above-referenced case.

Accordingly, because Mr. Tanaka's instant request deviates from the terms of the August 27 order, and at the express instruction of our client, we respectfully request that the Court modify its prior order to permit the Released Funds to be disbursed as detailed above. For the Court's convenience, we have attached a proposed order to this effect.¹

We are available to discuss the issues addressed in this letter at the Court's convenience.

Respectfully submitted,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation


Glenn C. Colton

Enclosure

cc: Steven Kobre, Esq. (via email)
Marc Litt, Esq. (via email)
Deirdre McEvoy, Esq. (via email)
Jeffrey Hoffman, Esq. (via email)

Mr. Tanaka's request to modify the bail by transferring money out of the Attorney Trust Account is denied without prejudice. This request would impose a significant change in the premise of the Court's earlier modification of bail, and is made with insufficient reasons (even to his own counsel). Mr. Tanaka is free to supplement this request and to do so, at least in the first instance, ex parte. However, he should know that the Court may subsequently, on notice of course, disclose some or all the information to the Government.

SO ORDERED


KENNETH M. KARAS U.S.D.J.

10/4/06

¹ If the Court grants the request, we, on Mr. Tanaka's behalf, will supply the bank and account number information.